

Kennecott Utah Copper Corporation
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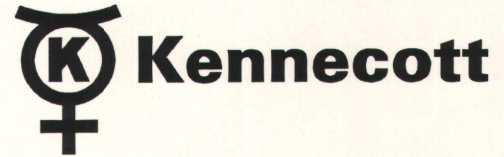
(801) 569-7120 (Phone)
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Paula H. Doughty
Director, Environmental Affairs

RECEIVED

JUN 25 2004

DIV. OF OIL, GAS & MINING



June 21, 2004

Mr. Wayne Hedberg, Permit Supervisor
Minerals Reclamation Program
Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
PO Box 145801
Salt Lake City, Utah 84114-5801

Subject: Request for formal release of Sections 7, 17, 18, 19 T3S R1W and 13, 14, 15, 24, 25 and 28 T3S R2W within DOGM Permit Number M/035/002

Dear Mr. Hedberg:

Kennecott Utah Copper Corporation (KUCC) requests the formal release of 10 sections of the 90 sections within the boundaries of the Division of Oil, Gas and Mining (DOGM) Permit Number M/035/002.

The areas covered by this request are: Sections 7, 17, 18, and 19, T3S, R1W; Sections 13, 14, 15, 24, 25 and 28 T3S, R2W. As shown on the attached map, all of these sections are located east of the Oquirrh Mountain foothills and none of them contain active mining operations (Figure 1).

These sections were included in the original Notice of Intention dated August 9th, 1976 and in the Mining and Reclamation Plan, approved by the DOGM Board on February 22nd, 1978, because they contained lands that were or that might have been impacted by excess KUCC mine water disposal operations. Areas impacted by excess mine water disposal covered approximately 1200 acres within the listed sections. In the 1978 Mined Land Reclamation contract, KUCC "promises to reclaim the land affected in accordance with its Mining and Reclamation Plan." With respect to the lands used for excess mine water disposal, the approved Mining and Reclamation Plan states that "at such time as the area is no longer needed for excess water disposal or other purposes associated with mining operation, stabilization will be accomplished consistent with subsequent use determined at that time... In any event, area will be left in a safe, stable condition, suitable for future use and without hazard of erosion or surface water accumulation."

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The excess water disposal facilities were permanently closed in 1987 and remediation and reclamation was completed in 1995, in accordance with the Administrative Order on Consent for the South Jordan Evaporation Ponds (USEPA Docket #CERCLA-VIII-18) and within the Mining and Reclamation Plan.

During reclamation of the water disposal facilities, some material was placed into the waste rock disposal areas at Keystone Notch or into the Bluewater Repository. The remaining materials, composed of gypsum and gypsum bearing soils, were consolidated into a 217-acre mound within the northern footprint of the former evaporation ponds. The entire area was regraded, capped with a minimum of three to five feet of clean topsoil and seeded.

The 10 Sections also contain several mining-impacted sites that were not related to KUCC operations. These include the Bastian Sink, Lark Tailing Remediation, the Copper Creek Soil Removal, the Midas Creek/Silo Soil Removal, the Randolph-Petersen Gate Soil Removal, the Bingham Creek Channel Soil Removal and the Bingham Flats soil removal. These sites are not described in the 1976 Notice of Intent or the 1978 Reclamation Plan, but they have all been remediated, reclaimed or received a no further action status in accordance with one or more of the following documents: 1) Record of Decision, Kennecott South Zone (USEPA, 2001); 2) Administrative Order on Consent, Lark Waste Rock and Tailings Site (USEPA, 1998; Docket No. CERCLA-VIII-98-09); and 3) Unilateral Administrative Order for Removal Action, Bingham Creek Channel (USEPA, 1993; Docket No. CERCLA-VIII-93-10). There are no land use restrictions imposed on any of these sites, except the Bastian Sink, where only industrial and farming uses are currently allowed.

All the areas listed above have been reclaimed for at least six years or have never been impacted by mining activities. Since 2002 a post mine land use of a major community plan has been developed by Kennecott Land Company (KLC) and is currently underway. The community development, called Daybreak, would cover the majority of land listed in the above sections and a portion will cover the reclaimed South Jordan Evaporation Ponds. The plan for this area will be a self-contained community development and will comprise single and multiple housing units and a business infrastructure to support the community. Upon completion of the development, a total of 13,500 residential units and 45,000 people are projected to inhabit the community. The development plan incorporates residential, recreational and commercial development and coincides with the post mining land uses listed in KUCC's 1978 reclamation plan.

Due to plans for a residential community, KLC has been overseeing complete excavation of the evaporation pond sediments to remove any development restrictions on the land. On June 1st, 2004 DOGM arranged a site visit with KUCC and KLC to inspect soil removal activities under permit #M/035/002. During the inspection, general agreement to retain and release certain sections of land from the permit was reached by members of your staff. Members of your staff came to the following conclusions:

- Pond sediment removal is a mining operation; areas undergoing removal must remain within the DOGM permit until the removal is completed.
- Bastian Sink is also a removal area and should be retained in the DOGM permit area until clean up is completed.

- The Copper Notch fill site is within and will remain in the DOGM permit for KUCC.
- The remaining lands in Daybreak may be released from the DOGM permit upon request to DOGM.

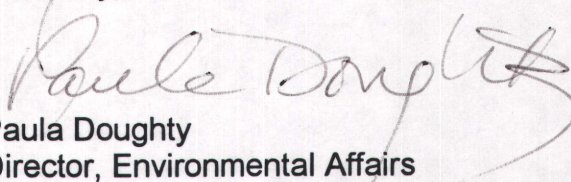
Based upon this, Kennecott requests removal of all lands in Daybreak and elsewhere east of Highway 111 (South Jordan, etc.) except the following:

- Northern section of the South Jordan Evaporation Ponds
- Remaining unexcavated southern section of the South Jordan Evaporation Ponds
- Bastian Sink removal area
- Haul Road.

KUCC requests the formal release of those lands in Daybreak, which have never been impacted by mining activities and have already been excavated and prepared for development (outlined in blue on Figure 1). Figure 1 also outlines those areas that will be excavated within the next one to two years. The former reclaimed Evaporation Pond area comprises 217 acres located in portions of sections 18, 19 T3S, R1W and a small portion of the east ¼ of section 13 T3S, R2W. KUCC requests that those lands currently undergoing soil removal be included in the release upon completion of the excavation.

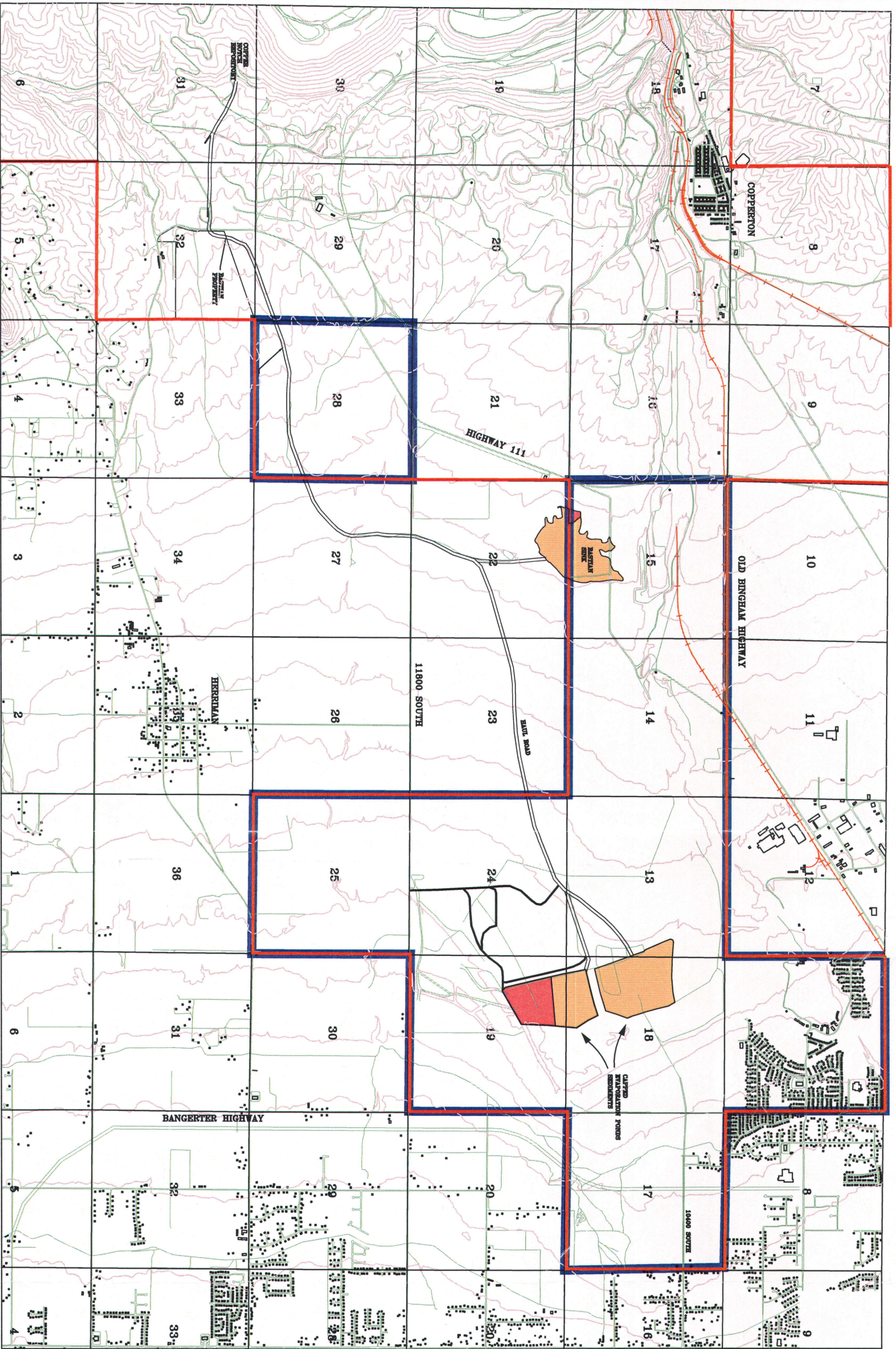
Please contact me at 569-7120 or Vicky Peacey at 569-7118 if you have any questions or comments relating to the proposed land release.

Sincerely,



Paula Doughty
Director, Environmental Affairs

Attachments



ENVIRONMENTAL	
ENGINEERING SERVICE	
SCALE: NOT TO SCALE	
DRAWN BY	VP
CHECKED BY	LBE
APPROVED BY	
PROJECT NO.	
DATE	